

# **Charlie Tango A/S**

Rosenvængets Allé 11, 2.

2100 København Ø

CVR No. 21029807

## **Annual Report**

**1 April 2022 - 31 March 2023**

25. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 21 September 2023

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Camilla Malene Sommer  
Chairman

**Contents**

Management's Statement	3
Independent Auditors' Report	4
Company Information	6
Management's Review	7
Income Statement	8
Balance Sheet	9
Statement of changes in Equity	11
Accounting Policies	12
Notes	16

## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Charlie Tango A/S for the financial year 1 April 2022 - 31 March 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 21 September 2023

### **Executive Board**

Martin Nebelong Vidiendal Olsen  
CEO

### **Board of Directors**

Merete Sjøby  
Chairman

Camilla Malene Sommer

Jannich Kiholm Lund

## Independent Auditors' Report

### To the shareholder of Charlie Tango A/S

#### Opinion

We have audited the financial statements of Charlie Tango A/S for the financial year 1 April 2022 - 31 March 2023, comprising income statement, balance sheet, statement of changes in equity, and notes including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023 in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent Auditors' Report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review.

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 September 2023

### KPMG

Statsautoriseret Revisionspartnerselskab

CVR-no. 25578198

David Olafsson  
State Authorised Public Accountant  
mne19737

Kenn Wolff Hansen  
State Authorised Public Accountant  
mne30154

## Charlie Tango A/S

### Company details

<b>Company</b>	Charlie Tango A/S Rosenvængets Allé 11, 2. 2100 København Ø
CVR No.	21029807
Date of formation	1 July 1998
Registered office	København
<b>Board of Directors</b>	Merete Søby, Chairman Camilla Malene Sommer Jannich Kiholm Lund
<b>Executive Board</b>	Martin Nebelong Vidiendal Olsen, CEO
<b>Auditors</b>	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø CVR-no.: 25578198

## Management's Review

### **The Company's principal activities**

The Company's principal activities consist in development of innovative digital products, services and solutions across digital platforms.

### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 1 April 2022 - 31 March 2023 shows a result of TDKK 3.155 and the Balance Sheet at 31 March 2023 a balance sheet total of TDKK 26.846 and an equity of TDKK -5.937.

### **Capital resources and liquidity**

The company has lost its' Share Capital. Management expect that the Share Capital will be re-established through ordinary operation in the coming years.

The Company is financed through its parent company and have thereby sufficient capital resources available to continue its operations.

### **Subsequent events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## Income Statement

	Note	2022/23 DKK'000	2021/22 DKK'000
<b>Gross profit</b>		<b>45.991</b>	<b>33.192</b>
Staff expenses	1	-40.987	-37.507
Depreciation	2	-330	-506
<b>Profit (loss) from ordinary operating activities</b>		<b>4.674</b>	<b>-4.821</b>
Financial income		84	19
Financial expenses	3	-709	-431
<b>Profit (loss) before tax</b>		<b>4.049</b>	<b>-5.233</b>
Tax on profit/loss for the year		-894	1.148
<b>Profit (loss) for the year</b>		<b>3.155</b>	<b>-4.085</b>
<b>Proposed distribution of profit (loss)</b>			
Retained earnings		3.155	-4.085
<b>Distribution of profit (loss)</b>		<b>3.155</b>	<b>-4.085</b>



Balance Sheet as of 31 March

	Note	2023 DKK'000	2022 DKK'000
<b>Assets</b>			
Fixtures, fittings, tools and equipment		746	311
Leasehold improvements		170	227
<b>Property, plant and equipment</b>		<b>916</b>	<b>538</b>
Deposits		0	741
<b>Investments</b>		<b>0</b>	<b>741</b>
<b>Fixed assets</b>		<b>916</b>	<b>1.279</b>
Trade receivables		11.392	4.740
Contract work in progress	4	885	4.555
Receivables from group enterprises		784	2.249
Deferred tax		6.158	5.794
Tax receivables from group enterprises		0	1.204
Prepayments		343	0
<b>Current Assets</b>		<b>19.562</b>	<b>18.542</b>
<b>Cash and cash equivalents</b>		<b>6.368</b>	<b>5.706</b>
<b>Current assets</b>		<b>25.930</b>	<b>24.248</b>
<b>Assets</b>		<b>26.846</b>	<b>25.527</b>

**Balance Sheet as of 31 March**

	Note	2023 DKK'000	2022 DKK'000
<b>Equity and liabilities</b>			
Share capital		752	752
Retained earnings		-6.689	-9.844
<b>Equity</b>		<b>-5.937</b>	<b>-9.092</b>
Other payables		4.343	4.257
<b>Long-term liabilities</b>	5	<b>4.343</b>	<b>4.257</b>
Contract work in progress	4	1.988	582
Trade payables		919	1.668
Payables to group enterprises		17.397	23.555
Tax payables to group enterprises		979	0
Other payables	5	7.157	4.557
<b>Short-term liabilities</b>		<b>28.440</b>	<b>30.362</b>
<b>Liabilities</b>		<b>32.783</b>	<b>34.619</b>
<b>Equity and liabilities</b>		<b>26.846</b>	<b>25.527</b>
Contingent liabilities	6		
Related parties	7		

## Statement of changes in Equity

DKK '000

	Share capital	Retained earnings	Total
Equity 1 April 2022	752	-9.844	-9.092
Profit (loss)	0	3.155	3.155
<b>Equity 31 March 2023</b>	<b>752</b>	<b>-6.689</b>	<b>-5.937</b>

The company has lost its' Share Capital. Management expect that the Share Capital will be re-established through ordinary operation in the coming years.

## Accounting Policies

### Reporting Class

The annual report of Charlie Tango A/S for 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The annual report is presented in thousand Danish Kroner. (DKK'000)

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the income statement under financial income and expenses.

## General information

### Basis of recognition and measurement

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Accounting Policies

### Income statement

#### Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in work in progress, other operating income and other external expenses.

#### Revenue

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue can be recognized over time or at a point in time. Revenue is recognized over time, when an asset on behalf of a customer is created with no alternative use and Charlie Tango has enforceable right to the payment for the performance completed year to date, or the customer obtains control of a service and has the ability to direct the use and obtain the benefit from the service.

The company's primary service offerings include information technology consulting services and operations solutions. Consulting services are generally provided on either a time-and-material basis or a fixed-price-contract basis. Revenue from time-and-material contracts is recognized as hours are delivered and direct expenses are incurred. Revenue from fixed-price-contracts is recognized based on the percentage of the total estimated costs of hours to fulfill the contract.

Revenue from operation solutions is recognized over time in the period the solutions are provided, which will either be based on output measures or using the straight-line-method over the term of the contracts.

License and royalty income is recognized at the time where the underlying transaction was performed.

#### Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

#### Staff expenses

Staff expenses comprise wages, salaries and pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs..

#### Depreciation and impairment of tangible assets

Depreciation and impairment of property, plant and equipment has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are depreciated on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Profit or loss on disposal of tangible fixed assets is calculated as the difference between the selling price less selling expenses and the carrying amount at the date of sale and is recognized in the income statement under depreciation expenses.

## Accounting Policies

### Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, and surcharges and allowances under the advance-payment of tax scheme.

### Tax on profit for the year

Tax on profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish Group Companies are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish Group Companies in relation to their taxable income (full distribution).

## Balance sheet

### Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

The carrying amounts of property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortization and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

### Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

## Accounting Policies

### Contract work in progress

Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

When the selling price of a construction contract cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value. The individual construction contract is recognised in the balance sheet as receivables or payables, respectively.

Net assets comprise the total of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of construction contracts where progress billings exceed the selling price.

### Prepayments

Prepayments are recognised in assets and comprises prepaid costs and accrued costs regarding subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Equity

Proposed dividend for the year is recognised as a separate item in equity.

### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

### Financial liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

## Notes

### 1. Staff expenses

	2022/23 DKK'000	2021/22 DKK'000
Wages and salaries	37.377	33.960
Pensions	3.411	3.249
Social security contributions	199	298
	<b>40.987</b>	<b>37.507</b>

Average number of employees	55	50
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### 2. Depreciations

Depreciations	330	513
Gain on financial sale	0	-7
	<b>330</b>	<b>506</b>

### 3. Finance expenses

Interest expenses to group enterprises	428	223
Other financial expenses	281	208
	<b>709</b>	<b>431</b>

### 4. Contract work in progress

Sales value of work	5.077	5.917
Progress billings on contracts in progress	-6.180	-1.944
<b>Net value of contract work</b>	<b>-1.103</b>	<b>3.973</b>

*Recognized as follows in the balance sheet:*

Construction contracts assets	885	4.555
Construction contracts liabilities	-1.988	-582
	<b>-1.103</b>	<b>3.973</b>



## Notes

### 5. Long-term liabilities

	Due within 1 year DKK'000	Due between 1-5 years DKK'000	Due after 5 years DKK'000
Other payables	7.157	0	4.343
	<b>7.157</b>	<b>0</b>	<b>4.343</b>

### 6. Contingent liabilities

The Company has rental commitments totaling DKK 1.8 Million. The amount is due within 1 year.

Other commitments to canteen and cleaning amounts to DKK 0.3 Million. The amount is due within 1 year.

Charlie Tango A/S is jointly taxed with the other Danish Group Companies in the KMD Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish Group Companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

### 7. Related parties

Charlie Tango A/S is fully owned by KMD A/S. The Company is ultimately a 100% owned subsidiary of NEC Corporation and is included in the consolidated financial statements of NEC Corporation.

A copy of the Consolidated Financial Statements can be obtained through the KMD A/S Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.